START Kentucky Retirement Systems	**START** **Employer Reporting FAQs**	Deloitte.

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How START will affect employers?

I received this letter regarding START. What do I do now?

Once START goes live, the current methods of reporting monthly wage and service information via paper, KRSPay4, and diskette will no longer be offered. Your agency needs to determine how it will report once START goes-live—via file submission or through web self-service.

- If your agency chooses to report **by file** (recommended for employers with over 100 employees), then provide your IT department or third party file provider with the employer contribution record layout located at http://kyret.ky.gov/contribution_record_layout.pdf to begin programming changes.

- If your agency chooses to report **by self-service** (recommended for employers with less than 100 employees), then review the employer contribution record layout for the new fields that will be required to be reported via online submission.

Does START impact other areas of my agency?

The degree of impact to each agency will differ depending on the organizational structure and size of the agency. It is likely START will have an impact on payroll, human resources and IT divisions.

How will START benefit employers?

- Greater ease in correcting erroneous payroll records
- Automatic invoicing for debits/credits
- Employer Self-Service file submission on the internet via a secure site
- Automatic enrollment of new employees
- Report of all payment types on a single report (no supplemental report)
- Multiple employer codes reported on a single file
- All employees (hazardous and nonhazardous) reported on a single file
- Reduction of duplicate requests for information
- Reduction of many forms
- Those who report via web self-service will receive corrections to member information in real-time.
- **Long Term Benefit: Employee payroll research requests will diminish since data will be more accurate and reliable moving forward**

Who determines which agencies are consolidated?

KRS had evaluated the initial entry of each agency into the system. Agencies which entered the system as one employer have been consolidated for the most part. If your agency will be

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consolidated, a START Codes sheet mailed in January 2010 listed your new information. If your agency has issues with your consolidation, please contact the Employer Rollout Team.

I report wages for multiple departments. If one department doesn't get their information to me on time, then our whole report will be late. Won't that be a negative impact?

While all information is still required at KRS by the 10th of the month, consolidating all employers into one code & one report will also mean that only one penalty will be assessed if the information is late.

How does the Employer Reporting process differ through START from the current process?

The three pieces of employer reporting (Detail Data, Summary Information, and Contributions) currently submitted to KRS will continue to be required through START Employer Reporting.

Currently, in the legacy system, each employer submits the following to KRS on a semi-monthly or monthly basis:

- Detail Data – currently submitted on diskette, compact disk, paper, and secure FTP. The detail contains only 7 fields.
- Summary Information – currently submitted on paper. This represents the totals of the salary, employee contributions (including HIC and IPS payments), and employer contributions associated with the monthly report. The salary and employee contribution amounts should match the totals reported on the Detail Data.
- Contributions – currently submitted via paper check or wire transfer/ACH transactions

In START, each employer will submit the following to KRS on a monthly basis:

- Detail Data – The detail contains over 50 fields and can only be submitted through the secure online self-service site.
- Summary Information – This represents the totals of salary, employee contributions, and employer contributions associated with the monthly report. The salary and employee contribution amounts should match the totals reported on the Detail Data.
    - If the employer generates the data file, the employer contribution totals must be calculated accurately by the employer's file generation program. These totals will need to be entered on Employer Self-Service as part of the employer report submission.
    - If the employer 'keys' the data through Employer Self-Service, the Summary Information will be calculated automatically based on the detail data 'keyed' by the employer. The employer will then submit the summary.
- Contributions – Payments for contributions may be transmitted electronically as auto-debit and eCheck features will be available in START. Contributions (along with the

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Detail Data and Summary Information) are still due at KRS by the 10th of the month following the month being reported.

Why does the new monthly report require more employee information than the current monthly report?

Capturing additional information through the monthly report accomplishes multiple goals:

- Decreases need for manual completion of forms by employers
- Ensures compliance with laws and regulations
- Decreases payroll research requests for employers

How much will implementing the START Project cost our agency?

KRS expects that much of the information we are requesting in our monthly reports is already present in your current payroll and personnel systems. The expense to your agency will vary greatly depending on your method of reporting. If your in-house IT personnel are developing the file, there will be some labor cost. If you use a third-party file provider, the cost will depend on the terms of your contract with that provider and their charges for development.

Programming for File Layout

What is the current version of the file layout?

Version 1.6 dated March 2010 is the most recent version.

Are you going to change the file layout again?

All changes since the initial release of the file layout, while minor, have been captured in the current version. These changes are due to KRS design of other functionality, which is nearing completion. If there are additional changes, KRS will notify those employers who have told us they are reporting via the detail file to let them know of any adjustments.

KRS has already released revisions to the file layout – when will that be actually finalized to begin development?

Please begin development of the file now. To date, all changes to the file layout since its initial release have been very minimal. Additional values have been added to fields, but no fields have been added or deleted. If additional changes to the file layout are necessary, KRS will work to minimize those changes and release them as quickly and efficiently as possible.

If my agency completes the file early, can we start using the START system early?

No. The system will not be available for general use until the go-live date for all employers. Having the file ready early could benefit your agency though, as you ensure you have ample time to test the file and fix any issues that are uncovered through that process.

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If an agency has less than 100 employees, can they report via file?

Yes. If your agency prefers to develop the file, you are certainly welcome to do so.

What is the file format? Is it Excel?

The file is a fixed-length flat ASCII file. A text file is acceptable, however it must be submitted in the format as described in the File Layout. Each field must be in its correct position and contain appropriate values. It must also follow the naming (XXXX.KRS) convention defined in the File Layout.

Who programs for the file layout? Will KRS set the file up for employers?

KRS has provided the file layout. The employer, their IT staff, or a company they hire will set it up. KRS can provide guidance, assistance, explanation regarding the fields through the help desk, hotline, etc. but the employer is responsible for development of the file. Employers may use the Employer Self-Service functionality to enter their monthly detailed report, but KRS recommends any employer with over 100 employees consider using the file layout.

How will third party payroll software providers be involved with the changes due to START? Many employers use a third party payroll software provider (e.g. ADP) to create their file format for reporting. Will they need to incorporate the changes necessary to accommodate the 50 plus fields? Will they be charging the agencies for making these changes?

KRS invited employers to bring their file providers with them to our focus group meetings as well as to the START Orientation meetings. The software providers will need to incorporate the changes necessary to accommodate all fields. Employers will need to contact their respective third party providers concerning associated cost for the required changes.

CDP does payroll for many health departments. Has KRS contacted CDP?

KRS has been in contact with CDP and they are working on developing the file submission; however, KRS encourages all employers to keep an open line of communication with their third-party file providers throughout this process.

Have any software vendors inquired about this file layout? We're looking to implement a new system and would like to find one that is already creating this file.

KRS does not keep a record of various payroll providers used by participating employers.

Does our agency have to get a third-party provider to create a file?

No. Many agencies will use a third-party provider, while others will use their in-house IT staff to create the file. Each employer must evaluate their own systems and determine which option is best for them.

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Does KRS know how much it will cost an agency to develop this file?

Cost will vary from employer to employer depending on the size of the employer, changes necessary to their existing system, terms of contracts, etc. KRS cannot estimate the cost to any employer for file development.

What if my agency creates the file, then KRS makes a major change? Revising the file would be a cost to the agency.

KRS does not foresee making any major changes to the file layout. All changes to this date have been minimal and have included changing only the values in a field, not adding or removing any actual fields. The system should be able to accommodate future changes for legislative action as well. Changes as a result of legislation may result in a cost to all parties, including KRS.

Will employers who share the same payroll systems be able to share the cost to develop the new file?

KRS does not keep a record of various payroll providers used by participating employers. The cost for file development is often governed by individual contracts with providers. If an employer knows that another KRS-participating employer is using the same file provider, those employers could certainly approach the provider to discuss this possibility, though KRS obviously has no control over this negotiation.

If KRS already has this program developed, why can't we download the file?

KRS has developed a file layout, which is essentially a blueprint for developing the Contribution Record file. KRS cannot provide programming for individual payroll systems, but is happy to answer questions regarding the file layout.

Does KRS have any 3rd party developers who will create a file and provide it to agencies who can then match the fields to their payroll systems?

No. KRS has not contracted with any third party developers to develop files for employers.

We have 2 different payroll systems—the County Clerk's office and the Fiscal Court operate different systems-- and over 100 employees. How can a file be generated with information from both systems?

KRS will expect one file from each employer, so the Fiscal Court's monthly report would include all employees – county clerk, sheriff, etc. Each employer will need to evaluate their payroll systems and likely discuss the file development with their payroll software provider to determine how the file can be developed. KRS cannot program for file development for an individual employer.

Will I be able to import files from various systems in different formats into my file?

This question will need to be addressed when you are developing your file with your internal staff or your third party provider.

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If you report via file, would you report all fields every month, or just when there's a change?

The format does not change from month to month. All required fields must be reported every month, whether they have changed from the previous month or not.

If I am entering two rows for an employee because they have a regular monthly payment and a bonus payment, how much information do I have to enter on the bonus row?

All required fields are still required regardless of the payment reason, with the exception of IPS payment reasons, but many of those fields will populate when the SSN is entered.

If I report via file and include retroactive payments, how will the file know it's a retroactive payment?

You will indicate retroactive payments by using a different posting month. In other words, you will tell KRS to what period the wages and service should be posted by using the appropriate posting month.

When reporting via file, how will a year of back pay be reported?

Reporting of back pay would be accomplished by using the appropriate posting months for each record and by providing a separate record for each month in which KRS should post wages. For example: If 12 months of retroactive payments in the total amount of $1200 is paid in December 2010, the breakdown for that payment should appear as follows:
Report Month: December 2010
Posting Month: December 2010 -- $100
Posting Month: November 2010-- $100
Posting Month: October 2010-- $100
Posting Month: September 2010-- $100
Posting Month: August 2010-- $100
Posting Month: July 2010-- $100
Posting Month: June 2010-- $100
Posting Month: May 2010-- $100
Posting Month: April 2010-- $100
Posting Month: March 2010-- $100
Posting Month: February 2010-- $100
Posting Month: January 2010-- $100

Is there an option for not submitting information (such as Member ID and employer code) that is not housed in my system?

No. All required fields in the Detail Contribution Record Layout must be submitted with the report each month. This may require some modification to your existing system. There are some fields in the layout which are optional and are identified as such.

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My payroll system does not record leave balances. Can I manually alter the file?

Some modifications to your existing system may be necessary. In general, making modifications to your system to provide this information decreases potential errors due to manually altering the file once it runs.

Where are the hazardous position codes?

Hazardous position codes were finalized and sent to each affected agency the first week of January. If you did not receive these codes, please contact your Employer Compliance and Education representative.

Will there be a designation for pre-9/1/08 or post-9/1/08 hazardous positions?

KRS sent a listing of approved hazardous positions, along with their corresponding codes the first week of January. That list specified whether the position is approved for pre-9/1/08, post-9/1/08, or both.

If the payroll system has bad data and that is reported on file, what happens?

START has over 200 technical and business validations which will be able to catch bad data, once submitted. If the data passes the edits, it will be able to be posted. Adjustments by the employer would be required to fix any erroneous data.

As a file reporter, how should I enter new employees? Do I use the Employer Self Service site or just add them to the file?

If you are reporting by file, all new employees will be added to the file when you generate it each month. You will not add employees through the Enter Report Details module on the Employer Self-Service site.

If I report via file, can I use the Employer Self-Service to review my entries and make adjustments?

No. There is no hybrid system of reporting. If adjustments are needed once the data is submitted, the adjustments can be reported in the subsequent Report Month's file. The Monthly Report Summary available on Employer Self Service will allow employers to view the total from their reports for reconciliation.

If I report via file, do I have to access employer self-service to change the individual employee information (such as addresses and rate of pay)?

No. If reporting via file, those changes would be reported through your monthly file submission. While you will use Employer Self-Service for other reasons, you will not use the Enter Report Details module if you are reporting via a file.

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How will my system divide the monies paid the second month of employment in order to move some to the prior month (different posting month)?

The wages to post to the prior month should reflect wages for that previous month. This decision of how to move wages will have to be made by each agency's payroll programmers. KRS cannot provide guidance on programming your individual system.

Will I have to adjust my payroll system to report a posting month for the first month of an employee?

In order to award service credit for the first month of employment for a member, wages must be reported in that month. It is possible that if an employee is hired late in the month, they would not be paid in that first month and therefore not reported. In those cases, START will require multiple records to post wages and service into the first month. This may require some modification to your existing system.

Changing the posting month for first and last month of employment will be a programming nightmare. What requires money to be in the month to award credit?

Per KRS 61.543, service credit may only be awarded in months where wages are reported.

Can the file generate the summary and submit it as part of the file?

No. The summary is a separate piece and must be submitted through the Employer Self-Service site.

Does KRS have any plans to automate the upload file process?

The process to upload a file will require a user to log in to Employer Self-Service, browse their system, and upload the file.

Can I see a sample of the file?

KRS has developed a sample file that is now available. To view, please click here.

Web Reporting

For those planning to use web-based reporting, what do they need to do at this point?

All employers should review the file layout to familiarize themselves with the fields of information that will be required in START regardless of reporting method (the detail fields begin on page 16 of the layout).

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If I will be a web reporter, then do I need any IT assistance at this time?

Likely, no. You should, however, examine the file layout document to discover which fields will need to be reported each month and assure that information is readily available to the person who will be completing the report.

Will web reporting be available prior to go-live for employers to test and see if they like it or should switch to file?

No. The decision to report via file or through Enter Report Details in Employer Self-Service will need to be made prior to the system being available in order to allow time for a file to be developed prior to go live.

Will smaller employers who report via the web still have to report all the fields a file reporter will have to report?

Yes. The fields for an individual record are the same whether you are reporting via a file or through Enter Report Details in Employer Self-Service.

Will every employee be entered in self-service?

If you choose to use our Enter Report Details module through Employer Self-Service, each employee will need to be entered to be included on the monthly report. Once the information has initially been entered, it will populate automatically the following month.

If I begin as a web reporter and later want to switch to a file, will I be allowed?

Yes – you can change methods of reporting; however, in order to be allowed to submit a file for monthly reporting, that file must first be certified. If you change methods after go-live, your file would have to be submitted and certified while you were still reporting through Enter Monthly Details in Employer Self-Service.

If I use Employer Self Service (Enter Details Module) to enter the detail data for the monthly report, will the data from my current report be pre-populated on self-service at go-live?

The first month you enter data in self-service, some of the data will be pre-populated. The rest of the information will have to be manually entered. Following the initial month, you will only have to update the fields that need changes.

When entering a new employee, you will have to manually enter all the required data. However, if the employee is already a member of KRS, some of the fields will populate upon you entering the Social Security number.

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If I choose to report via the web, what information are we responsible for inputting at the beginning?

If you choose to use our Enter Report Details module through Employer Self-Service, all fields will have to be completed for all employees the first month. START will populate all available information (demographics, etc.) that are stored in our current system, but many fields will have to be manually completed.

If I am a web reporter and I enter all information the first month, will all of the fields pre-populate the following month?

Each month, all regular pay records from the previous month will be recreated in the system. A web reporter would simply need to change the previous month's records, delete those records no longer applicable, and add any new records.

How much time will it take to enter the details for each record, if I choose to be a web reporter?

The timing for entering these records could vary based on the number of changes that are required for a particular record in a particular month. Some months, you may only change one or two fields, while in other months, more fields might be changed. KRS recommends that any employer with 100 or more employees consider reporting via a file.

If I report via the web, will I have to go into each individual record, or will all the records be on one screen like KRSPAY4?

There will be a complete listing of all active members for your agency. You will select an individual record to access the detail member screen if a change is needed.

If all the information populates from previous reports, won't I just have to change the employees' monthly earnings?

Usually, yes. However, when rates of pay change, those fields will have to be updated, as would address changes, position changes, etc.

If I am entering a new employee via web reporting, will Enter Details automatically tell me whether the employee actually has an account and therefore does not pay the extra 1% Health Insurance contribution?

The Enter Report Details module will not let you save a record with the incorrect contribution group, as this is validated based on the member's participation date with a state-administered retirement system. The Download Member ID module will provide information for the appropriate contribution group category; therefore, it would behoove you to determine this prior to setting up the employee's payroll so no deductions are taken out at the wrong rate.

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When entering a new employee via web reporting, will Enter Details recognize either Member ID or SSN?

The employer will be asked to enter the SSN.

Will the Enter Details page populate the Member ID?

Yes. If you are using the Enter Report Details in Employer Self-Service, you will enter the SSN, and the Member ID will populate.

With a new hire, can I add the new employee to self-service before the report is due?

Once the report is ready, you can enter individual records at any time, save them, and return to the file later to complete it.

Will I be able to save the records to our computer if I'm a web reporter?

No. For security purposes, you will not be able to save from the Employer Self-Service site directly onto your PC.

Can an employer print the Enter Details each month? Can a report be printed from Employer Self Service to show all the details?

A report is not provided; however, you can print any screens displayed through the Employer Self-Service site.

As a web reporter, will I be able to print the individual record when changes occur so it can be placed in a personnel file?

You can print any screens displayed through the Self-Service site.

When an employee makes a change to their account, will the change show through Employer Self-Service?

No. The records that populate into Employer Self-Service will be those that were submitted by the employer the previous month. For instance, if the employer reports a member for September, and the member changes their address with KRS in October, the October report template will display the address reported by the employer for September, and the employer will need to make the change on the record. We encourage current employees to submit their address and other demographic changes to their employer and allow the employer to submit those changes to KRS through monthly reporting.

Will the START edits flag the employer immediately that certain reported information may need clarification / correction?

Certain edits within the START system will immediately flag those reporting through the Enter Report Details module that there are errors on a particular record, when you are saving that particular record. Other edits may run overnight, which means KRS staff will contact you if a correction is needed.

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If I am a web reporter, when I enter the salary amounts, will the START system automatically calculate and display the contributions on the screen?
Yes. You will be able to use a calculate button once the salary is entered.

When I enter the salary and START calculates the amount owed, can I change that amount? What if the amount owed calculated by START does not match the amount my payroll system says I owe on an individual record?
Yes. You may make changes to the amounts calculated by START to account for rounding differences. When changing the amount on an individual record, START will allow for a difference of +/- $0.02 for rounding discrepancies. When changing the amount on the summary, START will allow for a difference of up to 1% of the contribution amount.

On Employer Self-Service site, can the fields that don't apply to my agency be grayed out?
We cannot "gray out" individual fields, but required fields will be indicated in the Enter Report Details module.

Specific Fields in START monthly reporting

The new employer contribution record layout has a field for Member ID. Where do I find this?
To increase security for our members, KRS will be shifting away from the use of the Social Security number as the main identifier and will issue Member IDs to all active members and retirees. Member IDs for existing members will be able to be downloaded from the Employer Self-Service site, while Member IDs for new members will be provided by KRS following the setup of the new member's account. The Member ID will only be assigned to the employee once they have been reported to KRS. For the first month of employment, you will not report a Member ID.

Why do we need to report both Member ID and SSN?
KRS has undertaken a security initiative through which we hope to eventually phase out our use of the social security number; however, social security number is still required as KRS needs it for government reporting, as well as to establish the member's account initially and generate a Member ID.

Can the employee choose between maiden name and middle name for full name?
The middle name field should include the name on file with the employer.

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Does the file layout allow for suffixes on name?

Yes. The suffix field allows for specific suffixes to be included. Please reference the suffix field in the File Layout document, available here:
http://kyret.ky.gov/contribution_record_layout.pdf

The new employer contribution record layout does not have a field for employer contribution amounts. Where do I find the employer contribution amounts?

With the employer contribution record layout, the Detail Data submission does not contain the employer contributions per record. The employer must be able to calculate the total employer contributions on the submission and summarize the totals by retirement plan. The employer contribution amount totals will be reported through the Summary Information on the Employer Self Service site. The Summary Information will allow employers to enter the employee contribution amount and employer contribution amount for each retirement plan code.

For those employers who choose to report through via self-service, the employer contribution amounts will be automatically calculated.

If I am reporting money with a posting month of when it is paid, won't I be paying a higher contribution rate in July for June wages?

Contribution rates are based on posting month. KRS has determined that wages should be reported to the posting month in which they are paid with the following exceptions: first and last months of employment, prior period adjustments, and retroactive payments. KRS would prefer to have one record for all earnings aside from a few exceptions.

I am currently using a 6% deduction for the people hired after 9/1/08 and the 5 % only for those hired before 9/1. We don't have separate 1% and 5% deductions for new hires. Can I report the full 6% in the HICON field?

The 1% health insurance contribution is deposited to a 401(h) account and the contribution to the 401(h) account is nonrefundable. The employee contribution is deposited to the individual employee's account. The intention of HB 1 was that the health insurance contribution be a separate contribution. In consideration of the changes START was going to bring on employers, KRS opted to effect as little change as possible to current reporting methods in implementing House Bill 1 requirements. As such, the current reports were not modified for the health insurance contribution to be reported separately as this requirement was to be implemented in the START employer reporting design.

Can the Health Insurance contributions be combined with the other pretax contributions?

No. In START, the regular employee contributions must be reported separately from the Health Insurance Contribution.

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Will I have to report a different payment reason every month by manually entering it?
If you are reporting via the Enter Report Details module of Self-Service, then you will only have to manually change the payment reason if it changes. If you are reporting via a file, then your programming should capture payment reason changes and include them in your file.

Will sick leave payouts be reported under Payment Reason?
If the employer participates in the Alternate Unused Sick Leave Program, then those payments would be reported to KRS with the appropriate payment reason. Otherwise, lump sum sick leave payouts are not reportable to KRS.

If an employee has overtime pay, then do I have to change the payment reason?
Yes. Payment Reason "01", Regular Pay with Additional Compensation, was developed to allow for the reporting of overtime pay and other additional compensation without KRS having to question the employer as to the increase in wages.

Do I need to report overtime on KLEFPF pay separate from regular wages?
No. The salary may all be reported together, but if overtime pay is included, you would use Payment Reason "01 – Regular Pay with Additional Creditable Compensation".

In what field should KLEFPF pay be reported?
The actual salary associated with KLEFPF pay will be included in the salary field when paid to the employee as part of the regular wages. To establish a rate of pay for the individual, the yearly total amount of KLEFPF the employer expects to pay to the employee should be included in the Estimated Additional Compensation field as well.

If I include the KLEFPF pay in the hourly rate, do I still need to report it separately in the Estimated Additional Compensation field?
No. If the payment is included in the hourly rate, we would not want the lump sum reported separately in the Estimated Additional Compensation field.

If a police officer's hourly rate includes incentive pay or longevity pay, do I also have to report it as Estimated Additional Compensation?
No. The Estimated Additional Compensation field is to be used to report those guaranteed payments that are outside the employee's regular hourly rate. If the KLEFPF payment or other guaranteed payments have been broken down and included in the hourly rate, they do not need to be included again in the Estimated Additional Compensation field.

How do I report an employee that receives different pay rates in one month?
If an employee holds two separate jobs simultaneously and has different rates of pay for those positions, KRS would expect two contribution records for that employee each month. If, however, the employee's rate of pay changes during the month (i.e. the employee receives a

raise on the 15th), then KRS would expect one record which includes the rate of pay as of the end of the month.

How will the fringe benefit for vehicle usage be reported?
If this is paid as part of regular wages each month, the monthly payment would be included in the salary and reported as "Regular Wages". If the payment is given in one lump sum, you would report that payment with a reason of "01- Regular Wages with Additional Creditable Compensation". If the amount is not included in the individual's hourly rate, the yearly amount paid would also be included in the Estimated Additional Compensation field.

How do I report an employee who is on Workers' Compensation?
If the employee is receiving either a lower pay or no pay, the payment reason of "02 - Leave Without Pay" would be used.

How will I report a lump sum merit pay? How do I report incentives?
All lump sum payments made outside regular wages should be evaluated by KRS as to their treatment under statute. KRS can provide guidance as to how these monies should be reported once a determination has been made regarding their treatment. If these monies are designated as "bonus" payments, then the payment would be reported as part of a separate record, with the payment reason of "03 - Bonus/Severance Payment".

How do I report annual training incentive for elected officials?
These payments are considered a part of regular wages, and they should be included with regular wages and reported with a payment reason of "01 – Regular Pay with Additional Creditable Compensation".

If I pay bi-weekly, then pay will fluctuate. Will the system know this?
Yes. Because you are required to report payroll frequency with each record, the system will be programmed to expect normal fluctuations in pay due to payroll schedules.

Will payroll frequency be reported on the individual or employer level?
Payroll frequency is reported as part of the individual record, so can vary from member to member as necessary.

Does Job Position Change apply to a change from sergeant to lieutenant?
Yes, if those positions are Hazardous Duty. Change in Job Position would be used any time an employee changes from one approved hazardous position to another.

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If position status changes during the month, would that employee have two different records on the monthly report?

Yes. A new record, with a new Employment Begin Date, would be expected each time an employee's position status changed.

We have employees who are salaried but only work 7 hours per day with an hour lunch. Do we report their scheduled hours per day as 7 or 8 hours? We calculate the hourly rate of pay by dividing the annual salary by 2,080 hours.

Based upon the 2,080 hours, these employees are working an 8-hour per day schedule, so would need to be reported as 8 Scheduled Hours Per Day.

How do I report scheduled hours per day if the employee's scheduled hours per day change from day to day?

KRS would want the regularly scheduled hours per day to be reported, prior to any adjustment of that schedule. So if an employee is regularly scheduled to work 8 hours per day, but instead, works 4 10-hour days, then KRS would expect the "Scheduled Hours Per Day" field to contain 8 hours.

Our agency has staff that work 8 hours 2-days per week and 10-hours 2-days per week—how will we report scheduled hours per day?

KRS would expect to receive scheduled hours per day based on the regularly scheduled hours per day prior to any modification to those hours, based on a 5 day work week. For example, if an employee is scheduled to work 40 hours per week, but works 10 hours per day and 4 days per week, the employee would have 8 hours reported in the "Scheduled Hours Per Day" field. The exception to the 5 day work week rule is those employees who work 24 hours per day. They should be reported with 24 in the "Scheduled Hours Per Day" field.

How will I report scheduled hours per day for part-time employees if the employee doesn't have set scheduled hours per day?

If the employee is part-time and does not have regularly scheduled hours per day, please use "0" in the Scheduled Hours Per Day field.

When an employee has an installment purchase plan, do I have to use Posting Month to put the service they are purchasing in the correct month?

No. Installment payments will be reported in a separate record using the Report Month as the Posting Month.

Do I have to report sick leave balances every month?

No. The balance is only required to be reported upon termination if the agency participates in the Standard or Alternate Sick Leave Program. However, employers are welcome to report the balance each month for inclusion on employee benefit estimates, etc.

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If my agency doesn't participate in a sick leave program, do I have to complete those related fields?

No. Those fields should only be completed by employers participating in either the Standard or Alternate Sick Leave Plans.

If I only enter this information once per month, how will KRS get up to date information regarding sick leave?

KRS will use the information provided each month to project retirement benefits. Sick Leave balances are only required to be reported upon termination of an employee.

Is the Employment Begin Date the first date of employment or when the employee is eligible to participate?

It should be the date the employee first begins work. For example, if an employee accepts employment on 12/10, but doesn't actually begin work until 12/15, the Employment Begin Date is 12/15. The Employment Begin Date will also be used for the first effective date of changes in Contribution Groups, changes in Position Status, and changes in Job Position.

If an employee terminates employment and they were eligible for retirement, but didn't retire, how do I complete the field for Employment End Reason?

The Employment End Reason can be "Termination" if you are unsure if an employee has retired.

If an employee is on leave without pay, will I be prompted for an Employment End Reason?

No. You will use "02 - Leave Without Pay" as the payment reason, but will not be required to enter an Employment End Date or an Employment End Reason.

How do I report for the Days Worked >0 field?

This field will only be used by those non-school board employers who have staff who work less than 12 months per year, but are paid over 12 months. In the months those employees do not work, but receive pay, this field would be listed as "N". In all other cases, this field will be "Y".

How will I report head start employees who do not work during the summer?

As long as these employees are not working for a local school board, they will be classified in the Position Status of "07 - Regular Full-Time Less than 12 Months". If the employee is paid for all 12 months, then a payment reason of "00 - Regular" would be used, and in the months the employee does not work, the "Days Worked > 0" field would be marked as "N". If the employee is not paid over 12 months, then in the months they receive $0 pay, they will either not be included on the report, or the employer will use the payment reason of "11 - Summer Months".

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School nurses employed through health departments work the school calendar—would the Days Worked > 0 field apply to these employees?
Yes. The file layout document has been amended to include these employees. The Days Worked > 0 field will apply to those school nurses who are paid over 12 months, but only work 9.

Will I use the Days Worked > 0 field if an employee is on maternity leave?
No. That field will only be used by those non-school board employers who have employees who work less than 12 months, but are paid over 12. If an employee is on unpaid maternity leave, you would report $0 wages, with a payment reason of "02 - Leave Without Pay".

Non-participating Employees

Please see General Reporting Questions for questions regarding statutory limitations and averaging requirements for non-participating employees.

Will only full-time employees need to be reported?
Most non-KRS eligible employees will be reported through START. There will be some very specific exceptions, such as most Volunteer Firefighters or those employees who participate in another retirement system, such as KTRS or TIAA-CREF. Also, certain employees under employment contracts may not be eligible to be reported. If there are special cases that you think may be an exception, please contact your Employer Compliance & Education Representative at KRS for a specific answer as to whether certain classes of employees must be reported. All employees who have not been specifically exempted will be required to be reported.

Do Members of governing boards need to be reported in START?
Non-participating members of boards or commissions will not be reported through START.

Do student employees need to be reported?
Yes, employers do have to report student employees, even if they are work study employees.

Will I have to report those employees who participate in other retirement systems (i.e. KTRS or 403(b))?
No. If an employee participates in an external retirement system (i.e. KTRS or TIAA-CREF) or is employed in a position that would participate in a different retirement system (administered other than by KRS) if the position otherwise qualified for participation, then the employee is likely not eligible for participation in KRS and should not be reported. School board employees who are simultaneously employed in both a certified and classified position are an exception to this rule.

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Why will I have to report non-participating employees through START when they are not eligible to participate?

You will NOT report contributions for non-participating employees, only data. KRS will use this data to monitor for compliance and alert the agency when an employee in a non-participating position is about to exceed the limitations of that non-participating position (for example, when a seasonal employee is about to exceed the allowed 9 months, the agency will be notified).

Some non-participating positions are eligible to be purchased by the employee if the employee begins participation with KRS. KRS will have captured this information through the monthly report, which eliminates the need for the reporting official to verify the service at a later date.

We can report part-time employees on Employer Self Service (without using a file), correct?

Yes. All employees, participating in KRS or not, can be reported through the Enter Report Details module of Employer Self-Service.

If I am a web reporter, then will I still report all employees—participating and non-participating?

Yes. All employees must be reported regardless of chosen reporting method.

Do all non-participating employees have to be reported on a monthly basis? As an employer, am I required to submit records for all of my non-participating employees in the new START system? I have 100+ part-time employees who do not qualify for retirement benefits and I don't want to report them to KRS. My participating member count is less than 100, so I planned to use web self-service, but with my non-participating employees, I'm well over 100 and may have to try to program for the file. We don't have a third party provider or IT staff. What will the penalty be if I don't report these employees?

KRS is requiring the reporting of all non-participating employees in the new START system. This requirement helps to ensure compliance to various KRS statutes and to validate the non-participating status of your employees. So, if an employee is part-time with you, but full-time with another employer, KRS can inform you in a timely manner that the employee needs to be reported, instead of having to bill for omitted contributions later. KRS will also be able to notify you when a seasonal or temporary position has reached it statutory time limit - again avoiding an unexpected liability for omitted contributions.

KRS 61.675 states that "The employer...shall furnish the information that the system may require in the discharge of its duties." To appropriately monitor compliance, non-participating employees must be reported to KRS on a monthly basis. The penalty for improper reporting has not yet been determined. If KRS suspects that an agency is not in compliance, an audit may be conducted.

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Our agency employs minors from 14 to 18 years old in seasonal positions. Will I report them as non-participating?
Yes. There is no age limit for reporting to KRS.

We process payroll for a third party entity. Do we report those employees?
If those employees are not employees of your agency or of another agency which participates with KRS, then they would not be reported.

Will I report non-participating city council members?
Yes. Even though these employees may be considered part-time and are salaried, they will still be reported as non-participating employees with a Job Position of "0004 – City Council". They could be dually employed with another CERS agency and if they average between both positions, they would then be required to contribute to KRS on all salary earned.

If a CERS agency has a city council member employed full-time with KCTCS, should the CERS agency also report the employee?
In this case, the employee is participating in a different retirement system and would not be eligible to contribute to CERS unless the employee was actually working 100 hours per month under the CERS system.

Will I report contract employees as non-participating?
If you have an employee who is considered an independent contractor, KRS must review the contract to ensure that it meets the federal guidelines for independent contractors. If KRS determines it is a true independent contract, the contractor would not be included on the monthly report.

Do I report Volunteer firefighters whose rate of pay is determined by the type of response?
No. Volunteer firefighters are not eligible to participate in CERS and should therefore not be included on the report. Those fire districts that have volunteers who have previously been considered eligible for CERS should continue reporting those employees.

Do I report those employees who rejected participation?
No. These employees are not eligible for CERS participation regardless of their hours worked and should not be included on the report.

If employees do not work every month, will they still be reported?
Yes. You will be able to use the position status of "08 – Intermittent Employee" to report those employees who may not earn wages each month.

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For year-round part-time employees, will I report wages but not contributions?
Yes. These are considered non-participating employees and should be reported accordingly. If these employees average, contributions will be billed through an omitted service purchase to both the member and employer.

When I report part-time employees, will I report the actual hours that they work?
No. You will report salary paid and rate of pay information, and KRS will calculate hours worked.

When my agency hires part-time employees, should we have them sign a waiver/notice so they understand that their information is being reported to KRS?
Each agency should make this determination based on its own policies.

Do all of the fields in the START monthly report have to be submitted every month for non-participating employees?
Yes. All applicable and required fields must be reported for all employees, including non-participating employees.

When employers begin reporting non-participating employees, will the data be from the go-live point forward or will they have to enter past information too?
Information will be entered from go-live point forward. Some forms will still have to be completed to verify service for those employees whose service is in the past. However, going forward, KRS will have this information on record, which will eventually reduce the manual completion of forms.

Will non-participating employees be issued a Member ID?
Yes. Non-participating employees will be issued a Member ID by KRS in the same manner as participating employees.

Will the START system track non-participating part-time employees and their hours worked?
Yes. Since all non-participating employees will be reported once START is "live", KRS will be able to audit part-time employees for eligibility and let employers know which employees should be contributing in a timely manner.

I have a part-time fire chief that does not track his actual hours worked and is paid a stipend. He also works part-time with the city. Am I supposed to be reporting him?
If the employee averages 100 hours of work per month over the calendar and fiscal year, then all CERS employers should report the employee and pay contributions on his earnings. If the employee does not average 100 hours per month, he would still be included on the report as non-participating.

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What about part-time employees that are salaried (such as a janitor that is paid the same amount regardless of how many hours he works)? How will the system average their hours to determine eligibility?

START will not be able to average part-time salaried employees, as there is no hourly rate available for these employees, and no way to derive an hourly rate, since the hours per day vary. In these cases, the responsibility of determining eligibility for participation in KRS lies with the employer. KRS would suggest that the employer require that these employees track their hours to ensure compliance.

How will START average hours with elected officials (such as magistrates, city council members, mayors) who receive a very low salary?

START will not be able to average part-time salaried employees, as there is no hourly rate available for these employees, and no way to derive an hourly rate, since the hours per day vary. In these cases, the responsibility of determining eligibility for participation in KRS lies with the employer. KRS would suggest that the employer require that these employees track their hours to ensure compliance.

If I report a part-time employee, will I be notified if he works for another employer?

Yes. The monthly packet generated and posted in Employer Self-Service will contain a report of those employees you are reporting as non-participating that are contributing to KRS from another employer in the same system.

Will the START system alert me to dual employees who need to have contributions withheld after month 1 or month 2?

If you report the employee for the first time on the November report (for example), that report will be received at KRS on December 10th, and the employee will show up on the report in your monthly packet that is generated at the end of December. The employee will likely have two months of contributions (November and December) that would need to be retroactively reported.

I don't currently report part-time employees—how will START average them?

START will average hours worked based on the salary, scheduled hours per day and rate of pay reported.

How will a part-time employee who works only 5 months, not a full year, be averaged by the START system?

Full-time employment is defined as an average of 100 hours of work per month over the actual months worked. So, if an employee only works 5 months in a year, but averages 100 hours over those 5 months, and is classified as Regular PT or Regular FT, that service would be considered to average.

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Will reports included in the monthly packet list non-participating employees, if applicable?

Yes. The monthly packet will contain multiple reports, including those dealing with non-participating employees. For instance, the system will generate a report of those employees listed as part-time non-participating who have worked 100 or more hours each month.

Can START send alerts prior to a part-time employee averaging over a year? Otherwise, I will still have to track the hours myself.

START will alert employers each month of those non-participating, part-time employees who hit 100 hours in the previous month. At the conclusion of each fiscal and calendar year, KRS will bill omitted contributions on any part-time employees who averaged for the year.

Will the START system average on fiscal or calendar year?

Employees are averaged, per statute, over a fiscal and calendar year. So, the averaging periods are from July to June and from January to December.

We have part-time employees who wish to stay part-time—how will START average these if they get different types of pays such as spread time, travel time, etc.?

Salary will be averaged based on the rate of pay and scheduled hours per day reported with the wages. If these wages meet the definition of creditable compensation, they should be reported and will be used in the averaging process. This salary would be reported as payment reason "01 – Regular Pay with Additional Creditable Compensation".

If a part-time employee averages over the year, does the employer have to pay employer contributions for the whole year?

Yes. If an employee averages and qualifies as a full-time employee, employer contributions will be billed as omitted for the full year.

Will KRS also bill part-time employees if they average? Is there a statute of limitations on omitted liability?

If an employee should have been reported to KRS, then an omitted billing to both the employer and employee would be generated. There is no "statute of limitations" as KRS 61.685 requires that KRS address all errors in record with no regard to the time period of the error.

When a part-time employee does average and the employer is billed, how long will START take to actually send an invoice?

The averaging process will take place once all reports are processed from the end of either the fiscal or calendar year. The actual omitted billing will likely follow three-four months from the end of the fiscal or calendar year.

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My CERS agency has a probationary period before new employees begin participating- how will that be reported?

Employees will be reported in the non-participating contribution group while on probation, with a position status of "02 – Probationary". Upon the completion of the probationary period, an employment end date would be provided for that record. A new record with a new employment begin date and a position status of "00 - Regular Full-Time" would then be reported.

Will START notify me when an employee nears the end of his probationary period?

Yes. START will be programmed to notify you both when an employee nears the end of his employer's probationary period, and when he reaches the end of the statutorily-allowed probationary period.

Will I need to report temporary employees who are employed for a short period of time for a specific project? What if they are hired through a temp agency?

Temporary employees employed by a participating employer should be reported as non-participating. Employees employed through a temporary agency should not be reported, as they are not employees of a participating employer.

If we have an employee whose probationary period ends in the middle of the month, how will we report those wages that were earned under the probationary status?

Two records would be reported – one, with the Probationary status, and the salary earned under that status, with an Employment End Date and Reason on that status, and another with a new Employment Begin Date and Position Status including the wages earned under that status.

When probationary becomes participatory, will the field Employment Begin Date be required?

Yes. When an employee enters a new Position Status, an Employment End Date and Reason on the previous status should be included, and a separate record should list the new Employment Begin Date and Position Status.

What if a part-time employee changes to a full-time seasonal position for a short period of time? Is this still in compliance? How would I report this?

Changes in position status should result in an employment end date on the previous position, with an employment end reason of change in position status. Also, the new record with the new status would have a new employment begin date.

Do employees have to be employed for a year before they can be reported to KRS?

No. CERS agencies are statutorily allowed a probationary period which can span up to 12 months; however, this is not a requirement.

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Will START bill for contributions during the probationary period if it averages over 100 hours per month?

No, unless it exceeds the statutory limit of 12 months (in CERS). Probationary service may be full-time but cannot exceed 12 months.

How would a seasonal person who later becomes a regular full-time employee purchase the seasonal time? Would the employer be liable? Would the cost be the 6% of the salary they would have paid had they been participating?

Employers are not liable for contributions to KRS for seasonal employees provided the seasonal employment does not exceed the statutory limit. Employees, when eligible, can request the cost to purchase seasonal (or other qualified) service credit, which will be calculated using the actuarial formula in place at the time of the request.

Is there a possibility that a retired reemployed part-time employee may have negative repercussions if he averages?

If an employee averages, he/she will be treated as a regular full-time employee and would be subject to all applicable laws and regulations.

Will the summary list the non-participating employees in a separate area?

Yes. Salary for the non-participating contribution group will be totaled separately from other salaries.

START Reporting Edits

If a new hire already has a retirement account and should pay contributions at the 5% rate, not 6%, will START catch that?

START will validate both the contribution group and the actual amount of contributions submitted for each member. Any record that uses an incorrect contribution will be considered an error, which will be corrected prior to being posted to the member's account.

Will the START system automatically know if the employee has participated with KTRS?

KRS and KTRS make every attempt to share information regarding employee participation; however, those files are generally not shared until year-end and therefore a delay exists in START being able to recognize these employees.

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Are front end edits for new employees only or will they go back for existing employees?

Edits will be run against files that are submitted in START, whether the employee is new or existing.

If I enter a SSN incorrectly into my payroll system, when will I receive an alert?

If KRS recognizes that employee as a member already present in our system, we will immediately alert the agency that the reported SSN does not match the SSN in our system. If, however, that employee has never previously been reported to KRS, we would have no reference to tell you the SSN was incorrect.

What is the threshold for varying salaries? Is it computed based on hourly rate, hours per day, etc.?

The threshold of +/- 25% will be calculated based on the total regular salary reported each month.

Will the record be rejected if an employee does not have salary posted for the first month of employment?

If an employee's employment begin date is in a month prior to contributions being reported, then that record will be in error and will have to be corrected. Employers should provide two records in the first month an employee is paid if money should be posted into the previous month.

If I report via a file, will there be any instant validations instead of waiting for the batch that night?

No. KRS cannot evaluate the contents of a file until the submission has been received and processed by KRS, which happens overnight.

Employer Self Service website

Can I access the functions of Employer Self-Service (besides the Enter Details functions) at any time of the month?

The Enter Details module will be available once KRS posts the prior month's report. The remaining features of the Employer Self-Service site will be available at all times.

How will I log in to Self-Service?

Employers will be provided with a link to the ESS site, which will also be available via the KRS website, when ready. Credentials (user ID, password and PIN) will be assigned to each user for access to the ESS site.

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Will each user have a different PIN?
Yes. PINs will be generated and sent via secure email to each ESS user when they are set up by the Employer Administrator.

If I report a term date for one of the employer contacts, will KRS remove their credentials from Employer Self-Service?
No. The Employer Administrator will need to disable that employee as a user in Employer Self-Service. That will disable the user immediately rather than waiting until the monthly report is submitted to KRS.

Will Employer Self-Service allow more than one administrator? Will anyone else be allowed to make changes to permissions? This could be an issue if the administrator is on vacation or extended leave.
ESS will allow the employer administrator to set up other users as additional administrators. Only the administrator will have access to change permissions. If your administrator is unavailable, please contact KRS for assistance.

When the Employer Administrator checks the box to remove a user's authorization, does it delete that record?
Once the Employer Administrator disables a user, that user's credentials for log in will no longer be valid. KRS will retain a record of that user for historical purposes, but the user will no longer be able to access ESS.

If I use an outside vendor to process payroll and prepare the report, will I still have access to make changes for employees?
Each employer can govern who has access to the Employer Self-Service site, but if you submit your information via a file, you will not be able to use the Enter Report Details module to change employee information – those changes would be submitted through the file.

Will there be an inquiry screen to find out contribution rates prior to setting up a new employee in payroll?
The Member ID Download screen in Employer Self-Service will allow you to look up individual employees by their social security numbers at any time to retrieve their current contribution group category, including prior to setting up the employee in payroll.

Will employers have access to employees' participation dates?
Yes. The Member ID Download feature will allow employers to download (or view by individual record) the Member ID, Contribution Group Category and participation date.

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Can file reporters also use self-service to determine the correct contribution rate for new employees?

Yes. The Member ID Download feature will be available to all users of Employer Self-Service.

Through START, will I be able to use the SSN to find the Member ID?

Yes. The Member ID Download feature will allow you to look up an individual Member ID by using the social security number, or to download an entire file of new employees on your report by date to retrieve the Member ID.

Will invoices include IPS payments, employer-owed omitted contributions, and the billings for the quarterly expense allowance for elected officials?

IPS payments will not be included on invoices, but will instead be reported as a separate record through the monthly report for each employee on which they are owed. Arrears notices will be sent via the monthly packet. Employer-owed omitted contributions, Quarterly Expense Allowance, Sick Leave Billings and Health Insurance Reimbursement Billings, among others, will be included on invoices.

Will invoices also be produced for credits and/or refunds?

Yes. When START is implemented, KRS will issue both credit and debit invoices which can be applied to the monthly report. KRS will no longer issue checks for credits, but will expect all debits and credits to be applied to the monthly report.

Can I pay all invoices on one month’s report, even if the invoices cover multiple months?

Yes. Any outstanding invoices may be applied to a single month’s summary report, or paid outside the monthly reporting process by using the Invoice Module in Employer Self-Service.

What will be the turnaround time for the sick leave billing?

Sick leave cannot be billed to an employer until a complete post-retirement audit has been completed on the retiree account. Under START, these billings should occur between three and four months following the member’s retirement.

Will e-mail alerts be sent when an invoice is posted?

Yes. Emails notifying an employer of new invoice activity will be sent to the designated Reporting Official.

How will the monthly packet be delivered?

The Monthly Packet will be available to view through the Employer Self-Service site, and the designated contact will receive an email informing them when the packet is ready to be viewed.

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How long will the monthly packets be retained on the Employer Self-Service site?
Monthly packets will be retained indefinitely.

If I report via file, will I perform adjustments through Employer Self Service?
Adjustments should be reported within your file.

Will there be a security report (detailing who is authorized and in what roles) for auditing purposes?
KRS can produce a listing of all users and contacts for a particular employer upon request.

For retired reemployed employees who choose health insurance coverage through KRS, will the billings for employers come through START?
Yes. The Health Insurance Reimbursement Billing will be issued as an electronic invoice.

Will setting up several satellite agencies affect changes to employee records?
No. Satellite locations are reference locations for KRS use and should not affect changes to the employee records.

Do I have to report a former employee's death?
No. Employers are not required to report deaths, but if you wish to report the death as a first step for the employee's family, you are certainly encouraged to do so. This assists KRS in contacting the beneficiary/estate in a timely manner. Currently, that can be completed by calling KRS, and with START, that information will be able to be entered electronically on ESS.

Will the sick leave calculator allow employers to change the salary used in the calculation?
No. The system will project a member's current salary through their participation date, but will not allow the employer to change the salary used. If the employer needs a more detailed estimate using variable factors, they may contact their field representative to have those estimates completed.

Submission of the Monthly Details, Summary, and Contributions

If employer codes are consolidated, and the report is late, would only one penalty apply?
Yes. Once an employer is consolidated, the agency is considered one employer. Thus, one employer submits one report with one payment and would only be subject to one penalty if the report was late.

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The reporting official works for a CPA firm and reports for two separate agencies—will she be able to access both agencies' reports? She can't right now with KRSPay4.

Yes. As long as KRS is aware that the CPA firm is planning to submit reports, we can program to allow the firm access to all applicable reports.

Can we continue to use FTP to submit our monthly reports?

No. All files will be uploaded through the Employer Self-Service site.

What is the estimated time between submitting a file and the summary being populated?

The file will be processed by KRS overnight, and the corresponding summary would be populated the next day.

When I upload the file, can I complete the summary and wait to submit it?

Yes. The summary can be completed and saved without actually submitting it. It must be submitted by the 10^{th} of each month to avoid penalty assessment.

What if I complete the summary incorrectly?

There is a small window during which the summary can be un-submitted and corrected. You can make corrections to your summary up until KRS drafts/applies payment to it.

Will the summary have a field for employees who make installment payments?

There is a separate section on the summary to total IPS payments made by all employees.

Will I receive verification that my payment has been received?

Employer Self-Service will give a confirmation message when detail, summary and payment are received. Payments are not deducted until the nightly batch, but the system will let the employer know that the request to deduct payment has been received.

Do I have to set up something with the bank in order to pay via EFT?

No. The account information will be set up through Employer Self-Service and the payment will also be initiated there.

Can I submit payments electronically now?

KRS can currently accept wire transfers of payments, but does not offer the option to pay via EFT or eCheck until START goes live. For more information regarding setting up a wire transfer, please contact the KRS Accounting Division at 1-888-696-8810, option 3.

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Our agency can't make electronic payments right now – how will we send our payment?

KRS will give you the option to use EFT or eCheck, which should meet all agencies payment requirements; however, if absolutely necessary, KRS will continue to accept paper checks.

My employer requires that we submit a check with two signatures. What are my payment options?

KRS is offering an eCheck payment option. For this, you would still get the paper check processed with two signatures and then enter all pertinent information, including the check number, in the self-service functionality. There is no need to mail the check to KRS, however it will be processed and appear on the bank statement as though the check was mailed. Your other option is to mail a check, but you run the risk of the payment not being received in a timely manner.

What is the cutoff time for the e-check to be submitted?

All payments must be submitted no later than 11:59 pm ET on the tenth of the month.

If I decide to use eCheck, will I just void that next check in the checkbook? Does the bank charge a fee?

Generally, if you are using eCheck, you are actually having a paper check signed to validate the payment. If you are not required to do so, it may be easier to set up EFT payments instead. eCheck is the electronic equivalent of submitting a paper check. Banks don't charge a fee to clear checks, but may not allow check numbers to be used more than once.

Can I still submit paper checks?

KRS expects that all employers will transition to either EFT or eCheck payments, as they are more efficient and reduce the liability for late reporting penalties; however, the START system will be able to accept payment by paper check.

Will KRS still accept ACH or wire payments?

Yes.

Will any fees be charged for payment methods?

No. If an employer uses EFT or eCheck as provided through Employer Self-Service, no charges will be levied to make those payments.

Can I submit this at any time on the 10th and still not be considered late?

All three pieces of monthly reporting would have to be received by KRS before Midnight Eastern Time on the 10th to be considered on time. If the 10th falls on a weekend, the payment due date is first business day following the 10$^{th.}$ Please remember that KRS will not be available

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to provide support after close of business on the 10th, for this reason we encourage employers not to wait until the last minute.

Since I have to report by the 10th, does the payment also have to be received by the 10th, or can I just submit the EFT by the 10th?

All payments must be submitted no later than 11:59 pm Eastern Time on the tenth of the month.

Will I be able to submit the file on one date and wait a few days to submit the contributions?

Contributions are paid when the Monthly Summary is submitted. So, you may upload your file or submit your detail through self-service, and wait to complete and submit your summary. Please remember that the detail file, summary and payment are all due to KRS by the 10th of the month to avoid the late reporting penalty.

What happens if I am ready to file my report on the 9th or 10th of the month, and the system (ours or yours) is down?

We don’t anticipate a system failure, but if you are unable to submit your payment due to a known failure of KRS systems, we would not assess a penalty. Should this occur, it will be logged and taken into account for reports received after the deadline. Should your system experience failure, please contact KRS immediately to report the issue.

What if there are insufficient funds in the account I select (i.e. I select the wrong account by mistake?)

KRS will contact you in the case of insufficient funds on any payment, but other payments would have to be submitted outside of ESS.

Testing

Will the new methods of reporting be tested prior to being required?

Yes. A file must pass the testing and certification procedures of KRS before an employer will be permitted to submit an electronic file. Additionally, some employers will help test the Employer Self Service reporting features prior to production.

During the test period, will I have to report both the new file and the old file?

Yes. During the testing period, you will have to submit the monthly report in the current acceptable method and the test file will be submitted in a “test” environment. How your agency produces that file will be up to your developers. The test file will have to be certified prior to go live if the agency wants to report via the detail file.

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How will I know when or how to test my file?

KRS will be sending out information about testing for file reporters in the coming months.

Training

Will training on reporting through START be offered?

Prior to go-live of the START system, employers will be asked to verify which method of reporting they will use, then to attend the corresponding training session. Training sessions will be held at various locations around the Commonwealth. A schedule will be published and sent to all reporting officials when available.

Will you publish a tentative training schedule beforehand so we can plan vacations?

KRS will make every effort to provide the training schedule as early as possible.

What are the projected dates for training?

Training is projected to take place in the Fall of 2010.

Will KRS publish a guidebook that explains explicitly what goes in each field?

The Employer Contribution Record Layout details rules and descriptions for each field. In addition, KRS will not only provide training materials, but will also conduct in depth training with employers.

Do all employer users (all who will be using the Employer Self Service) need to attend training?

Each agency will have to make a decision regarding who they would like to send to training. All users are encouraged to attend a scheduled training as individual employer training will not be offered.

Will web reporting training include performing the data entry for each agency for its employees?

The training will show employers how to enter this data, but will not include the time or the resources to actually enter the data.

Can I attend both file and web-reporting training sessions?

The decision to report via file or web will need to be made well in advance of training, so unless there is some specific reason, attending both trainings would be unnecessary and redundant.

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Will you come to my agency to train me?

No. We will be doing a vigorous, regional training effort, and we need all employers to make every possible effort to attend a training session when they are announced. Training is mandatory, as is reporting in the new format.

School Board Employees

Is MUNIS developing a file for school boards?

Yes. KRS has met with KDE and Munis and they have been provided with the Employer Contribution Record Layout and are beginning development of the file.

Will school board employees be reported differently due to differences in averaging requirements?

No. The START system will be programmed to recognize and account for the differences in statute for school board employee averaging. School boards will report using the same file layout as other employers. They will also continue to submit the End of Year Report.

Will school boards have separate training sessions?

KRS is still finalizing the training plan and schedule. More information regarding trainings will be released at a later date.

Will posting month work differently for school boards?

No. The same rules that apply to all employees also apply to school board employees regarding the awarding of service credit to particular months.

Will MUNIS do the posting month adjustments for the first and last months, or will I have to manually do those?

Each payroll software provider should be designing the file to meet the requirements set out by KRS in the Employer Contribution Record Layout. For questions regarding the development of the file, please contact Charles Hall or Pat Boyd.

Will the START system affect the way I report to KTRS?

No. Though KRS and KTRS do work together, the two are entirely separate systems and reporting to both systems will remain separate.

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Will substitutes with school boards ever be addressed with CERS? Will subs have to be reported even without contributions withheld?

The classification of substitute is not recognized in the statutes governing the Kentucky Retirement Systems. Substitutes are considered either regular full-time or regular part-time employees (depending on the hours worked per day) and should be reported accordingly, even if contributions are not being withheld.

Can the position of school board substitute exceed six months?

Yes. For KRS, that position is either regular part-time or regular full-time, and those positions are not limited to a certain number of months; however, if the employee averages based on actual days worked, contributions will be owed.

If a school board substitute works over 80 hours for 2 months in a row, then less than eighty hours in following months, will they have to pay contributions?

School board employees are averaged based on actual days worked, not on hours worked within a particular month. Therefore, if an employee works at least 4 hours a day, they will most likely average and contributions will be due.

For school board employees with multiple contracts, how will they be reported? Will employers have to provide two records each month? Will the wages have to be reported separately based on what was earned in each job?

Yes. Each month, a record will need to be provided for each contract with the wages reported separately based on what was earned in each job.

If a school board employee is only a coach, should he be reported? Will I need to break up the lump sum payment into various posting months?

Yes. Unless that employee participates in KTRS, the wages would need to be reported to KRS. IF the wages are paid in lump sum, but should have been reported over multiple months, you will need to break the lump sum payment into various posting months.

How do I report bus drivers when they are doing extra trips and other misc. jobs?

Those wages would be reported with the payment reason of “01 - Regular Pay with Additional Creditable Compensation”.

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General START Inquiries

Is START only required for agencies with over 100 employees?

START will affect all KRS participating employers, regardless of their size. All employers must report through the new system upon go-live.

Will START replace KRSPay4?

Yes. Once START goes live, no current reporting methods (Legacy file format, KRSPAY4, and paper pre-billing) will be accepted by KRS.

How will the START project communicate with employers and solicit feedback?

Communication is a vital component to the success of START and KRS is committed to providing the right information at the right time to effectively meet participants' needs. Possible vehicles the START project may use to communicate and solicit feedback are:

- KRS web site: http://kyret.ky.gov/index.php/employers/start
- Surveys
- Focus Groups
- Conferences
- KRS Newsletter
- START Orientation Meetings
- START Employer Implementation Notebook

Can vendors also use the START contact information?

Yes. If your third-party vendors have questions or concerns about the implementation of the START system, please encourage them to contact KRS.

What is the time frame for implementing these changes?

For those employers planning to report via file, a minimum of six months was allotted for development since the initial release of the Employer Contribution Record Layout in September 2009. A testing period will follow the six-month development period, which is also planned to continue for a minimum of six months. A file must pass the testing and certification procedures of KRS before an employer will be permitted to submit an electronic file in the new format. More information regarding the testing period will be sent at a later date. START will go-live following the development and testing periods.

Can KRS be more specific about the time frame for the START project?

KRS is releasing an Employer Implementation Notebook which will contain a more precise timeline for implementation.

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What is the projected date for implementation?
The tentative target go-live date for START is December 2010.

With what company is KRS working to develop START?
KRS is working with Deloitte Consulting, a consulting firm, which has implemented retirement pension software programs for a number of other state and local retirement systems.

Are any of the features previewed during Orientation available for use right now?
No. All features discussed during START Orientation meetings will be available when the new system goes live, likely in late 2010.

To use the START system, will I have to download software?
No. To use the START system, you will simply log in to the secure website.

Can conservation districts access the site?
Conservation districts have had issues downloading software for KRSPAY4. START does not require a download of software – it simply requires that the employer access the secure site, so conservation districts should not have a problem.

Does KRS have recommendations for which reporting method an agency should use in START?
KRS recommends that employers with fewer than 100 employees utilize the Enter Report Details module through our Employer Self-Service site, while those employers with 100 or more employees consider developing a file for reporting. These are only recommendations, as KRS recognizes that each employer may have other specific reasons for choosing their method of reporting.

If I have more than 100 employees, can I still use the Enter Report Details feature of Employer Self-Service, or do I have to submit a file?
The 100 employee limit is a recommendation based on the amount of time the agency will spend completing the monthly report, but the final decision regarding the reporting method will be left to the employer's discretion.

What if I want to change to the file layout after the go live of START?
The biggest concern with changing from web reporting to file reporting is the time required for file development. Before an agency can report using a file, the file must be built, then tested and certified by KRS. So, if you wait until after go-live to begin the construction of this file, it may take many months before you can discontinue using web reporting.

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If my agency is currently unsure which reporting method we will use, then when will we need to decide?

You will need to make this decision as soon as possible. KRS will be in touch with you soon to finalize your decision. For those who decide to report via a file, development time is of the essence and should begin as soon as feasible.

If my payroll system does not capture all of this data today, what do I need to do?

START may require some changes to your personnel and payroll systems. KRS recommends that you contact your software provider regarding any needed changes.

If a payroll begins the last day of the month, will there be an issue if it isn't reported until the following month?

In most cases, no. In START, KRS will expect wages to be reported when paid, not when earned. It is possible that if an employee is hired late in the month, he would not be paid in that first month and therefore not reported. In this case, START will require multiple records to post money into the first month, so that employee may earn service credit for the month.

Will records need to be split if pay periods cross months?

In START, money is to be reported when paid, not when earned. Pay periods would only need to be split if the employee didn't receive a payment in their first month of employment.

Will supplemental reports still be required in START?

No. Using different payment reasons will allow employers to report all types of creditable compensation within the regular monthly report.

If my agency pays a bonus, will it still need to be reported separately from regular wages? What if it falls within the threshold allowed for salary variances?

Bonus payments should be reviewed by KRS staff prior to their payment. If KRS staff determines that the payment is actually a bonus, that payment must be reported separately from regular wages.

How do I report quarterly bonuses?

Bonuses will be reported as a separate record using the appropriate payment reason.

How will I report quarterly commission (not a bonus) in START?

If the commission is considered part of the regular wage, it would need to be reported with a payment reason of "00 - Regular Pay with Additional Creditable Compensation"; however, if the commission is paid quarterly but is for several previous months, you may need to split the payment into several separate records with separate posting months.

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When part-time employees become full-time, they may receive a variable pay (not a bonus) based on their part-time status. Would this be reported?

If the payment is considered creditable compensation, it should be reported. If there is any question as to whether or not this payment qualifies as creditable compensation, please contact your KRS Employer Compliance and Education Representative.

Can payments for service purchases still be payroll-deducted?

Yes -- depending on the amount and type of the purchase on the IPS agreement. IPS payments will be reported as a separate record each month through the monthly report.

Will hazardous positions need to be reapproved for START?

KRS has sent a listing of approved hazardous duty positions for those employees who participated both prior to 9/1/2008 and after 9/1/2008. If there are currently positions being reported to KRS as hazardous duty that are not on that listing, the employer will need to take the necessary steps to have those positions approved by contacting their KRS Employer Compliance and Education Representative.

If my agency hires a person on the 10th, but they don't begin work until the 1st of the following month, would wages need to be moved back to the month in which they were hired?

Employment begin date should be the date the employee actually begins work, and wages should not be reported until the employee is actually working, regardless of when their offer for employment was extended.

Will I only split the wages for the first month of employment or for every month?

Wages are only required to be split the first month of employment and only for those employees who did not receive pay in their first month. All other employee wages should be reported when paid.

Can the adjustment using posting month for the first month of wages be optional?

No. If an employee has an employment begin date in the month prior to wages being reported, that record will be considered in error and will have to be corrected.

Will START catch those employees already in the system who are missing the first month of service?

No. START will not be able to apply edits historically to accounts. If you are concerned that employees are missing their first month of employment, please contact your KRS Employer Compliance and Education Representative to request their assistance in auditing employee accounts.

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When a posting month is used to move wages to a different month, will a penalty be assessed for inaccurate reporting?
No. KRS assumes these errors in reporting are not intentional, and does not assess penalties for correcting the records.

If I forget to use posting month to correct the first month's wages, will I receive a request for the Form 2020, Advice of Personnel Action?
No. If you are using the Enter Report Details module to report the detail record, you will receive a flag to correct this omission as the record is entered. If reporting by file, you will need to correct the record within your payroll system.

For averaging purposes, will I report an employee who terminates only in the month he terminates, or through the end of the year?
Employees should only be reported through termination, unless money is paid to the employee following termination. If the employee is paid wages after termination for work performed prior to termination, an earlier posting month (than the termination date) would be used to explain this and avoid endangering the employee's benefits with KRS.

If START performs the averaging for employees, how will the system know if the hours are straight time or OT? The OT could skew the average number of hours.
Salary will be averaged based on the rate of pay reported with the wages. If the overtime causes a part time employee to exceed 100 hours per month the employer can dispute the findings and provide supporting documentation.

On the monthly report, can I report back pay for a previous month?
Yes. The Posting Month field may be used to report wages for previous months.

What if you have a labor audit & you go back 5 years with retroactive payments? Will I use posting month to adjust those wages? What if the employee has already retired? Will I be able to report the adjustment and then will START adjust their account?
All retroactive payments would be reported to KRS, using the appropriate posting months for each month of salary, even if the employee has already retired. If an adjustment is received to a retired member's account, KRS will make the appropriate corrections to that account.

How far in the past can retroactive payments be reported?
Any creditable compensation that has been omitted should be reported regardless of date.

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If our employees receive a retroactive raise, will I use Posting Month to put those monies in the correct months?

Yes. START would require a separate record for each month in which money should be posted.

Our agency has employees who work 24 hour rotations—how will START average these considering the OT paid?

START has been programmed to recognize 24 on-48 off employees and their pay scale.

If an hourly rate is not provided, how will the START system average the hours?

Based on the scheduled hours per day provided, the START system will break down the monthly or annual salary into an hourly rate for averaging purposes.

Will overtime pay need to be reported separately?

No. Overtime pay can be reported with regular wages by using the payment reason of "01 - Regular Pay with Additional Creditable Compensation".

How will employer contributions on expense allowances for Judges, Jailers, and Sheriffs be billed?

The employer contributions owed on these payments will be billed monthly through the invoicing program in START.

Will START know not to expect the employer contributions for Master Commissioners?

Yes. You will use a specific Position Status for those employees, and will also indicate "N" in the "Employer-paid ERCON" field.

I report the KERS contributions for the county attorney's office, but the fiscal court reports the CERS contributions (under the fiscal court's employer code). Will we be able to continue this practice?

Yes. KRS considers those wages reported under the fiscal court's employer code to be wages earned while employed by the fiscal court, so we would expect this method of reporting to continue.

Our agency has an office who will not release their payroll to us (sheriff's office) – how can we handle this in START?

Because this agency entered the retirement system as a part of the Fiscal Court, KRS considers you to be one employer. The report submitted by the Fiscal Court must include those employees. If you are utilizing the Enter Report Details module in Self-Service, an employee of that office could log in and enter the detail for those individual records, but other users would have access to view that information.

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If I currently report monies semi-monthly, will I have to change that with START?
Yes. All monies will be reported monthly in START and should include wages paid in that month.

When there are three pays per month, and the extra IPS payment is withheld and sent to KRS—will this still be sent back or applied towards the purchase?
IPS payments should be submitted monthly, and overpayments will be refunded to the employer.

Would Alternate Sick pay be a separate record?
Yes. There is a payment reason for Alternate Sick Leave payments.

Will reporting sick leave balances through the monthly report eliminate the sick leave verification form when someone terminates?
KRS hopes to eliminate this form in the future, but right now, it is specifically identified in state law, so legislative action is necessary to change that requirement.

If an employee is in two contribution groups (e.g. works for KERS and CERS), would the employee have two different Member IDs?
No. Like a SSN, the Member ID is a unique identifier for each member of KRS, regardless of their different accounts within the system.

How will notifications be sent by the START system? Will it be emailed in an unsecure email?
Notifications from the START system will be sent using the KRS Secure Email Portal. If you do not already have a secure email account with KRS, you can find the user manual, as well as instructions for registering, here: http://kyret.ky.gov/secure_email_guide.pdf

Will using the Posting Month field eliminate that form I have to complete when an employee terminates and I pay the last wages the following month?
Yes. By using a posting month of the previous month, you are telling START that the wages were earned prior to termination and the Form 6630 will not be necessary.

Will KRS publish a listing of those forms which will be eliminated through START?
Forms will still be needed for historical data. KRS will provide guidance on forms which are still to be used, as well as providing training on the location and usage of those forms.

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Will the beneficiary form still be required, and will it be available online?
The Form 2035, Beneficiary Designation, will still be required for members. The form may be printed from the Member Self-Service website, but must be completed and mailed or faxed to our office. Because the form requires a witness signature, it will not be able to be completed electronically.

Does KRS manually enter the information from the forms we currently send in?
Much of the information is manually keyed into the system today. The rest of the information is stored in paper form in the employee files.

Will employees be able to change pertinent information via self-service (like % contributions paid)?
No. Employees will not have access to the monthly report through Member Self-Service.

Could KRS provide a report when employees make changes to their accounts?
No. Because of confidentiality, KRS will not inform employers of employee-initiated changes to accounts.

Is KRS projecting that as the date nears the tenth of the month, the system will move slower?
No. KRS will test the START system for performance speed during peak times.

I use a third party vendor for payroll that prepares a report which I verify and submit. Do I need to put them on the survey as an interested party/Reporting Employer?
A third party vendor only needs to be identified to KRS if they will be submitting any of the three pieces of the monthly report—the details, summary, and/or payment.

What if our payroll is done by a third party? Can the report and contributions be submitted electronically by them?
Yes. A third-party provider may submit the report and contributions through Employer Self-Service, but KRS must be made aware so appropriate access is set up for them in ESS.

Is there a place in the START system to enter my own general ledger numbers?
No. That information would need to be maintained in the employer's own records.

Can I report negative adjustments in START?
Yes. Unlike our current system, START is able to accept prior period adjustments with the appropriate posting month.

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Security

I am not permitted to download software on my computer. For example, Conservation Districts are not allowed to download KRS Pay 4 software due to a security issue on federal servers. The START employer reporting mailing advises that paper reports will not be accepted once START goes live. How will I, as an employer, participate in START?

Reporting in START via web self-service will not require a download of software to a computer or server. The employer will log on to a secure website to complete/submit the monthly report. The other reporting option in START is by file submission but due to the small size of most employers, that may not be a feasible option.

How secure is the KRS website?

Both the START application (The portions completed for the previous phases of the project) and the START infrastructure were required to have an independent 3rd party assessment. Prior to "Go Live", Deloitte was required to remediate all known security issues. In both cases, we required a follow-up review to ensure the security issues were resolved.

Additionally, KRS uses industry standard SSL services to ensure that log-in and transactions are encrypted and secure.

There will be another START application assessment prior to taking the current phase into production. We also do an annual 3rd party infrastructure assessment to ensure that all of our servers, network equipment, etc. have the appropriate level of security. The Security Steering Committee, comprised of the Executive Management Team, reviews all security related findings and make decisions related to issues and risks.

Is the KRS site developed using the security software InTrust?

Yes, it is. There will be no charge to agencies to use our site. KRS owns the licenses being used. No additional licenses will be needed to use our site or to exchange secure e-mails with KRS.

Will emails come to me or will I have to log on to get them?

Because the security of our member and employer information is of utmost importance to KRS, we will continue to utilize the Zix secure email solution. If you do not have a Zix account, we would encourage you to set one up now to use even in the interim between now and the implementation of START.

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What's the URL for the secure email?

Please access the secure email user guide, located here:
http://kyret.ky.gov/secure_email_guide.pdf

Can I forward a secure email to another employee in my office from the secure portal so she can set up an account?

No. The employee will need to set up their own account by following the instructions in the user manual, located here: http://kyret.ky.gov/secure_email_guide.pdf. You will be unable to forward emails from the secure portal to other users outside KRS.

If the Employer Administrator leaves employment, will KRS disable that user?

Yes, but only insofar as your agency lets KRS know that person has left employment. The administration of users for ESS is placed at the agency level. Users should be added and deleted by each employer as quickly as possible to ensure the security of your information.

General Reporting Questions

Who is my Employer Compliance and Education Representative?

KRS created the Division of Employer Compliance and Education in January 2010. The person who was your Field Service Representative is now your Employer Compliance and Education Representative. If you need to contact your representative, please click here for contact information.

Is the part-time classification limited to a certain number of months? Is there a time period for averaging part-time?

Part-time classifications are not limited in duration. Statutes require that employment be averaged over both the fiscal and calendar year to determine eligibility for KRS.

What happens if a non-participating part-time employee works 100 hours one month but not the next?

Eligibility to participate in KRS is based on an employee working an average of 100 hours per month over a fiscal or calendar year (non-school board employees only). If an employee occasionally works 100 hours in a month, but does not average over the calendar or fiscal year, the employer is not responsible for paying any contributions on that employee. If the employee later becomes a participating member of KRS and meets certain other requirements, the employee may be eligible to purchase those individual months where he/she worked 100 hours or more.

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Does a part-time employee's sick or vacation leave count towards their hours worked for a month?
Yes. If the employee is on paid leave, that is considered in the hours worked for the field.

If an employee works with my agency part-time and works part-time with another CERS agency, then should both agencies be paying contributions on them?
Yes. Per KRS 61.680, if an employee works a combination of 100 hours per month between employers in the same system, all employers must report the wages earned by the employee.

If a part-time employee is working for two different employers, which employer is responsible for paying the employer portion?
Each employer is responsible for reporting the wages the employee earned with that particular employer and paying the associated employer contribution.

Should I be averaging part-time employees over 6 months or over a year? Does KRS look at monies when paid or earned for averaging purposes?
Employees are averaged, per statute, over a fiscal or calendar year. So, the averaging periods are from July to June and from January to December. KRS will average money based on the month to which it is posted.

Are there limitations on how many hours a seasonal person can work? Can seasonal positions average more than 100 hours per month?
Seasonal positions may be full-time, but may not exceed the statutory length for that position status (non-school board employers – 9 months; school board employers – 6 months).

Are seasonal positions limited to nine months in a row or nine months total?
In any case, the period cannot exceed the statutory limit within a single fiscal year. For KERS and non-school board CERS agencies, that limit is nine months. For school boards, the limit is six months.

How long does the break in employment need to be for Seasonal employees before they can be rehired?
There must be at least a 1 month break in order for the second period of employment to be considered a new period of seasonal employment. In any case, the period cannot exceed the statutory limit within a single fiscal year.

What if the employee doesn't average 100 hours—would they still be billed for omitted if they exceed the seasonal limitation?
No. Omitted billings are only generated for service credit that should have been reported to KRS. KRS would suggest that employees who work less than 100 hours be classified as part-

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time, in order to avoid any confusion with the statutory limits for other positions (i.e. seasonal, temporary, etc.).

Does a seasonal employee who is also employed elsewhere full-time or part-time in CERS owe contributions?

If the employee is classified as Seasonal with your agency and does not exceed the statutory time-limit for Seasonal employment, no contributions are owed.

For KERS employers, what is the difference between seasonal and temporary?

Per KRS 61.510 (21) which governs KERS positions, "Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year, the period of time shall not exceed nine (9) months."

"Temporary positions are positions of employment with a participating department for a period of time not to exceed nine (9) months."

If I hire an employee who participated with KRS prior to 9/1/08, does he owe the additional 1%?

As long as the employee has not taken a refund of his previous contributions, he will not owe the 1%. This contribution rate is based on the employee's participation date with KRS, and not on his individual hire date with a participating agency. KRS would recommend that before setting up a new hire in payroll, you contact our office to determine the appropriate contribution rate. In START, you will be able to use the Download member ID module to determine contribution rates for new hires prior to setting them up in payroll.

Does the 1% Health Insurance contribution show on the employees' annual statement from KRS?

No. Since the 1% Health Insurance Contribution is not a part of the employee's retirement account, but is deposited in the KRS 401(h) account, that contribution does not display on the Annual Statement.

If an employee terminates and takes a refund of his retirement account, does he receive the 1% Health Insurance contribution?

No. Per KRS 61.702, the 1% Health Insurance Contribution is not part of a member's account, but is instead deposited into the KRS 401(h) account, and is nonrefundable.

Can I download participation dates now?

No. Unfortunately, this feature won't be available until the START system is in place. Until that time, employers may contact their KRS Employer Compliance and Education Representative to determine contribution rates for new employees via phone, fax, or secure email.

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Would a lump sum payout for unused annual leave paid after termination need to have a different posting date?

Lump sum payouts for unused annual or vacation leave are not considered creditable compensation and should not be reported to KRS in any instance.

Do we report lump sum unused vacation, sick leave payouts, and compensatory leave payouts when someone terminates employment?

Lump sum payouts for unused vacation pay are not considered creditable compensation and should not be reported under any circumstances. Most lump sum sick leave payouts are also not reportable unless your agency participates in the alternate sick leave plan. Compensatory leave payouts should be reported for any employee with a KRS participation date of 8/31/2008 or before. Those payments are exempted from KRS contributions for employees with a participation date of 9/1/2008 or after.

Are all installment purchase plans pre-tax?

Some installment purchase plans remain post-tax. KRS will notify you whether the deduction should be set up as pre or post-tax.

What's the difference between a prior period adjustment and a retroactive payment?

Prior Period Adjustments adjust a salary that has been previously reported. Retroactive payments report wages for a time period in which there was no salary previous reported.

How should retroactive payments be reported until START goes live?

These payments can currently be reported using a Supplemental Wage Report, available here: http://kyret.ky.gov/archive/Employers/SupplementalForm.pdf

If the employee began at the end of the month, and doesn't work 100 hours in that first month, will he still get credit for that first month?

As long as the employee works an average of 100 hours per month over the fiscal or calendar year, the employee will receive credit for each month in which wages were reported.

Before START, can I send a letter to notify KRS to correct the service when someone is hired late in a month and not paid until the following month?

Yes. If you know you have a new employee who will not be reported until their second month of employment, please address a letter to your Employer Compliance and Education Representative explaining the original date of hire and the amount of money that was earned in the first month and reported in the second.

What are KRS' record retention guidelines for employers?

KRS does not set record retention guidelines for employers. The General Records Retention Schedule for Local Governments requires that retirement information in employee Personnel

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Files be retained 60 years from date of hire. Depending on the nature of the local agency, i.e. health department, county clerk, etc. those requirements may vary.

http://www.kdla.ky.gov/recmanagement/schedules/kylocgovgeneral.pdf

Do I have to re-certify all hazardous positions after 9/1/08?
House Bill 1 required that all CERS hazardous positions be recertified for employees whose participation dates were on or after 9/1/2008. If the employer does not recertify the positions as hazardous through the KRS Board of Trustees, then employees with a participation date on or after 9/1/2008 will be considered non-hazardous.

Do non-hazardous positions have to be approved?
No. Only those positions to be covered under Hazardous Duty Retirement must be submitted to the KRS Board of Trustees for approval.

Member-Related Questions

On Member Self Service, will current and past employees be able to research their own months of service?
Yes. Members of KRS will be able to view current service as well as other information about their accounts.

As a member, will I be able to see my service with past employers? How about previous sick leave balances?
Members will be able to view all service credit with KRS. Sick leave balances were historically not reported to KRS until retirement and may therefore not be available in START.

How will KRS bill the employee for omitted contributions?
Employee omitted billings will be sent directly to the employee, as they are today.

Will a new employee still be required to do the enrollment application?
Yes. Employees will still be required to complete the Form 2001, Membership Form, due to statutory requirement, but may be able to complete the form electronically through Member Self-Service.

Will employees be able to change their name online?
No. They will need to contact KRS in order to change their name on record.

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If an employee works for two months and wants to see his account balance, will he be able to view it in Member Self Service?

While the employee's account may be set up as soon as they are enrolled with KRS, only contributions and service for the previous fiscal year will display.

I had an employee that received an encrypted email from KRS. Does she need to register for the secure email so she can access the email?

Yes. Any person who receives a secure email from KRS must register in order to be able to access the email.

Will member self-service display beneficiary information?

Yes. Once a member has logged in to Member Self-Service, they will be able to see their designated beneficiary. However, changes to beneficiary information will not be able to be made online.